



JAMES A. NOYES, Director

# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

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ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE  
REFER TO FILE

PJ-2

March 23, 2004

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**LAC+USC MEDICAL CENTER REPLACEMENT PROJECT  
APPROVAL OF CHANGE ORDER – SCHEDULE RECOVERY  
SPECS. 6550; C.P. 70787  
SUPERVISORIAL DISTRICT 1  
4 VOTES**

**JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICER THAT  
YOUR BOARD:**

Approve and authorize the Director of Public Works to execute a change order to Contract PW-12641 with McCarthy/Clark/Hunt, a Joint Venture, for the LAC+USC Medical Center Replacement Project, to resequence and accelerate work to recover 65 calendar days of construction schedule delay incurred due to inaccurate construction documents for a not to exceed amount of \$850,000, and extend the contract completion date 50 days to March 12, 2007.

### REASON AND SCOPE

Unforeseen Condition	<input type="checkbox"/>	Regulatory Agency Requirement	<input type="checkbox"/>
Drawing Coordination	<input checked="" type="checkbox"/>	Previously Approved Scope Change	<input type="checkbox"/>
Errors and Omissions	<input checked="" type="checkbox"/>		

Public Works and the contractor completed an impact analysis of project change issues on March 8, 2004, and we agree the project has been delayed a total of 115 calendar days due to rain, wildfires, structural steel gusset plate changes, waterproofing changes for the concrete slab-on-grade, and changes required to accurately locate depressions for equipment in various floors of the Inpatient Tower building. We informed your Board of the potential for a delay impact associated with the gusset plate issue in a Change Order approved by your Board on September 23, 2003, and indicated that we would return to your Board with final negotiated change impact and delay costs. We also indicated the potential for delay associated with rain, wildfires, and concrete slab issues in the January 2004 project monthly report to each of you.

Of the total potential 115-day delay impact, nine days are due to rain that precluded the contractor from conducting construction work since beginning construction on April 1, 2003, and three days are due to wildfires experienced in October 2003, that shut down fabrication of structural steel for the Inpatient Tower building at the contractor's San Bernardino factory. The rain and fire delay days will be granted to the contractor as part of our proposed delay impact recovery agreement. Thirty-eight days of delay are due to structural steel gusset plate and concrete slab issues. As authorized by your Board on September 23, 2003, we executed a change for the direct costs attributable to the gusset plate change within the authority granted in the amount of \$449,336. The remaining 65 days of delay are attributable to the County's architect for insufficient concrete slab waterproofing and inaccurate depressed concrete slab details that prevented the contractor from placing the slab-on-grade while multiple revisions to the drawings were developed by the architect to address the issues. The construction delay impact associated with these changes is summarized in the table below.

<b>Delay Cause</b>	<b>Delay Days</b>	<b>Recovery Cost</b>
Rain	9	non-compensable
Fires	3	non-compensable
Inpatient Tower Gusset Plates	36	non-compensable
IPT Slab-on-Grade/Slab-on Metal Deck (concurrent)	2	non-compensable
Inpatient Tower Slab-on-Grade/Slab-on-Metal Deck	65	compensable
<b>Total Potential Delay</b>	<b>115 calendar days</b>	
Phase I Recovery Plan	<65>	\$850,000.00
<b>Total Remaining Delay</b>	<b>50</b>	
Proposed Revised Project Completion Date	March 12, 2007	
<b>Phase II Recovery Potential</b>	<b>&lt;50&gt; calendar days</b>	<b>non-compensable</b>

The contractor has reported that the cost of delay due to the combined costs of the contractor's overhead and staff for the delay impact associated with this change is approximately \$111,000 per day. Rather than accept this delay cost, estimated by the contractor at \$7,215,000 for the 65-calendar-day delay, we will direct the contractor to resequence and accelerate the work to recover this time. Working with the contractor,



we have developed a Phase I plan to recover the 65 days at a cost to the County not to exceed \$850,000, which basically represents overtime for the next three months along with resequencing key work activities to recover this portion of the delay. Therefore, with approval of this plan, the new project completion date would be delayed 50 days from January 21, 2007, to March 12, 2007. This work is considered to be within the scope of the project, and approval of this action will not require an increase to the project budget. The recommended action will be funded from the construction contingency budget described below.

No further recovery opportunities are available at this stage of construction. However, there appears to be opportunity in the future phases of construction. In the next few months, we and the contractor will work jointly to recover all or a portion of the remaining 50 calendar days of delay at no cost to the County and will return to your Board by September 2004 to describe our progress.

### **BACKGROUND**

The underlying cause of the 65-day construction delay is the time required for the County's architect to coordinate complete and accurate responses to the contractor's questions regarding waterproofing details and dimensioning of depressions in concrete slab work areas of the Inpatient Tower building. The contractor was unable to begin placing concrete until these issues were resolved, and the rainfall during the week of March 1, 2004, has exacerbated the problem. The concrete slab inconsistencies also precluded the contractor from working on the upper levels of the Inpatient Tower building. All parties have worked diligently to resolve these discrepancies, and all known issues have now been resolved.

To date, 376 changes have been executed with an aggregate value of \$1,665,867. This represents 0.3 percent of the total \$497,883,000 construction contract value. We are approximately 25 percent complete on this project as of March 18, 2004. We will continue to aggressively manage and improve our change management services in an effort to mitigate project costs and schedule delay impact. The Chief Administrative Office and Public Works have reviewed this matter with the Project Advisory Committee. This recommendation represents a settlement of all current compensable delay impact issues and represents our collective opinion of best value to the project at this time.

Any delay to critical path construction activities results in a delay to completion of the project. The contractor is prepared to implement the recovery plan, and your Board's approval of this action will allow us to instruct the contractor to begin.

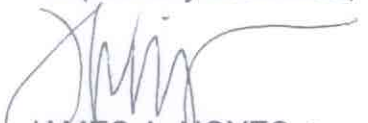
**CONTINGENCY BUDGET SUMMARY**

CHANGE SUMMARY				
Board-Approved Contingency Budget	Executed Change Orders	Impact of This Action	Remaining Contingency Budget	Percentage Remaining
\$39,488,624	\$1,665,867	\$850,000	\$36,972,757	93.6%

**CONCLUSION**

Please return one adopted copy of this letter to the Chief Administrative Office (Capital Projects Division) and Public Works.

Respectfully submitted,

  
JAMES A. NOYES *for*  
Director of Public Works

  
DAVID E. JANSSEN  
Chief Administrative Officer

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cc: County Counsel  
Department of Health Services  
Office of Affirmative Action Compliance